



United States Department of the Interior

BUREAU OF RECLAMATION

Mid-Pacific Regional Office

2800 Cottage Way

Sacramento, California 95825-1898

IN REPLY
REFER TO:

MP-190
FIN-4.40

MAR 31 2000

Mr. Mark Schaefer
Acting Assistant Secretary - Water and Science
Department of the Interior
1849 C Street, NW
Washington, D.C. 20240-0001

Subject: Bay-Delta "Other Such Activities" Account - CALFED Recommendations for Fiscal Year 2000 Programs and Projects

Dear Mr. Schaefer:

The CALFED Policy Group (Policy Group) met on December 15, 1999, to review and approve program and project recommendations received from the Bay-Delta Advisory Council and CALFED staff. Additionally, at the November 17, 1999, meeting, Policy Group recommended funding tribal participation in the CALFED process. The Policy Group is recommending you approve funding the various programs and associated projects detailed below in the amount of \$30,000,000 from the fiscal year 2000 Federal Bay-Delta Act appropriation.

1. Program Element: Conveyance \$6,000,000

(A) Project Title: Tracy Fish Facility

Implementing Agency: U.S. Bureau of Reclamation

Funding: \$6,000,000

Project Description: The project will undertake all planning, design, environmental documentation, permitting, construction, operation, laboratory and field testing, and other activities necessary to evaluate the installation of a new fish screen and fish salvage facility near the existing Tracy Fish Collection Facility. The program will expedite implementation of best available technology screening for 2,500 cubic-feet-per-second (cfs) at the Tracy diversion facility with short-term fisheries benefits while developing critical information required to optimize new fish protection facilities at Clifton Court Forebay, Tracy, and the North Delta. The new facilities will have fish screening, fish holding and fish transport, and stocking capabilities; construction and major evaluation of the new facilities are planned for completion to allow expanded improvement of Tracy and/or new fish facilities at Clifton Court by the end of CALFED Stage 1 Implementation. Fiscal year 2000 funds will be utilized for planning and design activities.

2. Program Element: Storage \$2,150,000

(A) Program Title: Conjunctive Use (Integrated Storage Investigation)

Funding Agency: U.S. Bureau of Reclamation

Funding: \$2,150,000

Project Description: An initial inventory of potential conjunctive use opportunities was completed early in 1997; guiding principles for conjunctive use programs were developed to ensure that local concerns and potential impacts are fully addressed. CALFED staff will implement two to five conjunctive use projects selected through a competitive grant application/selection process that has been developed with input from the public and a CALFED stakeholder group, the Conjunctive Use Advisory Team.

3. Program Element: Water Operations \$10,000,000

(A) Program Title: 1999 Operations Contingency

Implementing Agency: U.S. Bureau of Reclamation

Funding: \$10,000,000

Description: This program will acquire water to improve operational flexibility for the Central Valley Project (CVP). The CALFED Policy Group approved a short list of tools to be considered for increasing CVP operational flexibility of which the most promising is acquiring South-of-the-Delta water supplies from willing sellers who have already prepared environmental documents covering such transactions. Three potential, willing sellers have been identified (1) the Kern Water Bank Authority, (2) the Vidler Water Company, and (3) the San Joaquin River Exchange Contractors Water Authority.

4. Program Element: Water Quality \$2,000,000

(A) Program Title: Drinking Water Quality

Implementing Agency: U.S. Environmental Protection Agency

Funding: \$2,000,000

Program Description: The program's overall goal is to continuously improve source water quality that allows for municipal water suppliers to deliver safe, reliable, and affordable drinking water that meets, and where feasible is better than, the applicable drinking water standards. Through extensive stakeholder input during Phase I and II, CALFED identified concerns that result from using Delta waters as a source of drinking water supply and identified near term actions that could be taken to improve source water quality. The following four drinking water quality actions will be undertaken with the fiscal year 2000 funds:

(1) Program Title: **Assessment of Sources and Magnitudes of Loads of Drinking Water Constituents of Concern**

Description: Two projects will be undertaken to support this program (1) an evaluation of existing data to determine baseline conditions under various hydrologic conditions and operational scenario and (2) monitoring and research efforts to track changes in Delta water quality resulting from CALFED actions and the effectiveness of the water quality actions.

(2) Program Title: **Veale/Byron Tract Drainage Discharge Management**

Description: This program focuses on a group of measures designed to improve both the quantity and quality of drainage discharges from Veal and Byron Tracts and to improve the drinking water sources at South Delta drinking water intakes. Projects will be funded that address -- drain relocations, outfall improvements, discharge timing management, drainage treatment, and storm flow management.

(3) Program Title: **Bay Area Regional Blending Assessment**

Description: This program will investigate the potential for regional water exchanges to improve source water quality. The initial phase of work to be funded focuses on two technical tasks (1) quantitatively assessing individual agency needs for higher quality source water and (2) assessing the ability of existing facilities to convey the needed quantities assuming the water is available.

(4) Program Title: **Salt Removal System - Pilot Project**

Description: Salt removal of irrigation runoff in the San Joaquin Valley will reduce salt discharge to the San Joaquin River and prevent salt buildup on agricultural land. Fiscal year 2000 funds will underwrite pilot projects that remove salt and propose a disposal or reuse system.

5. Program Element: **Water Use Efficiency** **\$2,500,000**

(A) Program Title: **Water Use Efficiency**

Implementing Agency: U.S. Bureau of Reclamation

Funding: \$2,500,000

Program Description: The program will offer support and incentives through expanding urban, agricultural, managed wetlands, and water recycling programs that will provide planning, technical, and financial assistance to implement cost-effective efficiency measures. Fiscal year 2000 funds will be utilized to complete vital incentive program refinement, augment technical assistance, and begin early implementation. Approximately

.\$1,325,000 will be allocated to agricultural and managed wetlands activities, \$987,500 to urban activities, and \$187,500 for water recycling.

(1) Program Title: **Agriculture and Managed Wetlands**

Description: The agricultural and managed wetlands activities will be combined during this fiscal year because their planning and early implementation objectives are very similar. Program refinement activities will include completing ongoing planning of incentive programs and conducting foundational studies related to water measurement and evaporation reduction. Early implementation items include support for the Agricultural Water Management Council, increased technical assistance, and pilot projects. The pilot projects will focus on agricultural water use efficiency actions such as (1) San Joaquin River salt/selenium reduction, (2) flow/timing improvement, (3) water quality improvement, and (4) evaporation reduction.

(2) Program Title: **Urban**

Description: The program refinement tasks will focus on defining the urban incentive program. Early implementation items include support for the California Urban Water Conservation Council, increased technical assistance, and pilot projects. The objective of the pilot projects will be to answer key questions related to achieving water quantification, quality, and flow/timing benefits through water use efficiency incentive grants.

(3) Program Title: **Recycling**

Description: The design of the recycling incentive program will be completed. No funding is budgeted for pilot projects since sufficient pilot funding exists in Proposition 204 and Title XVI budgets.

6. Program Element: **Water Transfer** **\$350,000**

(A) Project Title: **Water Transfer Interactive Web-site**

Implementing Agency: U.S. Bureau of Reclamation

Funding: \$350,000

Description: An interactive web-site will be developed which will initially include (1) an on-line transfer application process, (2) a database of all approved transfers from 1980 forward, and (3) general information on water transfer program activities. Current funding will provide for the initial web-site functions and the hosting of the web-site through December 2000 when it is anticipated that a centralized transfer clearinghouse will assume the function. The web-site is slated for public release in the summer of 2000.

7. Program Element: Planning, Management, and Other Programs \$6,500,000

(A) Program Description: South Delta Planning

Funding Agency: U.S. Bureau of Reclamation

Funding: \$900,000

Description: CALFED has proposed several actions for analysis, environmental documentation, and early implementation in the lower San Joaquin River/South Delta region. These actions will improve the reliability of existing water export facilities and operations within the South Delta, ensure that water of adequate quantity and quality is available for diversion to beneficial use within the South Delta Water Agency's service area, and contribute to restoring the ecological health of the lower San Joaquin River and South Delta. The total South Delta planning effort for water management and ecosystem restoration will cost approximately \$1,900,000 in fiscal year 2000. To date, \$1,000,000 has been allocated to this effort from the Ecosystem Restoration Fund Account (reference Secretarial approval letter dated February 9, 2000). The Ecosystem Restoration funds will be used to plan and scope project-level ecosystem restoration actions consistent with CALFED ecosystem restoration objectives and to prepare project-level environmental documents.

CALFED program staff recommends the allocation of an additional \$900,000 of fiscal year 2000 funds from the "Other Such Activities" Account. The program staff will utilize these funds through direct expenditure or contracted consulting services to proceed with the water management portion of the South Delta planning effort. Feasibility level studies will be conducted on two specific water management elements (1) constructing a new intake for Clifton Court Forebay, most likely at a location on Old River on the southeast corner of Byron Tract and (2) constructing fish screens and fish salvage facilities for the intake in an incremental, modular approach to screen the full export capacity of the California State Water Project (SWP).

Permits will be obtained to use full SWP export capacity of 10,300 cfs consistent with all applicable operational constraints including recommendations for an interim 8,500 cfs export operation. The Joint Point of Diversion (JPOD) will be included in the Environmental Impact Statement/Environmental Impact Report (EIS/EIR) to provide disclosure of a full range of potential impacts including a JPOD for interim operations at a 8,500 cfs maximum export rate and long-term operations at 10,300 cfs. This evaluation will cover incremental impacts beyond the JPOD evaluation conducted by the State Water Resource Control Board EIR which only covers a JPOD with existing permitted pumping rates. Several configurations of channel barriers will be evaluated in detail to manage stage and water quality including (1) the No Action Alternative, (2) a single Head of Old River Barrier Alternative, (3) variations of a Multiple Barrier Alternative, and (4) an alternative relying upon extensive dredging of South Delta Channels and extension and screening of local water intake structures.

(B) Program Description: North Delta Planning

Funding Agency: U.S. Bureau of Reclamation

Funding: \$1,500,000

Description: CALFED program staff will through direct expenditure or contracted services continue work on the following three component actions (1) North Delta Regional Plan (\$1.0 million), (2) Suisun Marsh Investigation (\$0.2 million), and (3) Risk Assessment (\$0.3 million).

(1) Program Title: North Delta Regional Plan

Description: The goal of the North Delta Regional Plan is to provide a coordinated regional solution to ecosystem, watershed, water quality, water supply reliability, and flood control concerns in the North Delta Region. CALFED will prepare an environmental compliance document (EIS/EIR) for the following high priority actions (1) restore tidal marsh and riparian habitats along Georgiana Slough, (2) address flood control concerns in the lower North Delta region, and (3) convert McCormack-Williamson Tract into shallow water, wetland, and riparian habitat. CALFED staff expects to initiate project formulation activities in March 2000 and begin development of the EIS/EIR in late 2000 with the total effort taking approximately 24 months.

(2) Program Title: Suisun Marsh Investigation

Description: Modeling studies indicate that substantial drinking water quality benefits are possible if levees in the Suisun Marsh are reconfigured. Various Suisun Marsh configurations will be developed that maximize benefits to CALFED objectives; the configurations will be modeled to verify benefits, a cost estimate prepared for each configuration, and input will be sought from the stakeholders and CALFED agencies. The fiscal year 2000 funds will underwrite continued work on the following existing contracts (1) California Department of Water Resources – scenario development assistance and 1-D modeling, (2) Consultant – advanced 2-D model verification, and (3) Consultant – cost estimating.

(3) Program Title: Risk Assessment and Risk Management Strategy

Description: A 3-phased risk management analysis will be prepared that assesses system risks, quantifies resulting consequences, and develops an appropriate risk management strategy (prioritized list of actions) that can be implemented to mitigate the potential consequences.

(C) Program Description: Tribal Participation

Implementing Agency: U.S. Environmental Protection Agency

Funding: \$100,000

Description: This program will build on CALFED initiatives over the past year to assist tribes in determining potential impacts of CALFED actions on tribal resources, as well as, increasing tribal awareness of and participation in the CALFED process. As recommended at the November 17, 1999, Policy Group meeting, the Environmental Protection Agency (EPA) will implement the effort and, as decided through an informal CALFED/tribal representative workgroup, will issue a grant application to solicit tribal governments to undertake the following objectives (1) develop and compile information on, or an inventory of, the specific tribal resources that may be affected by potential CALFED actions, (2) facilitate increased tribal attendance and participation in CALFED meetings and workgroups, (3) facilitate enhanced outreach and coordination between CALFED agencies and participating tribes, and (4) ensure that participating tribes play a key role in educating other affected tribes about the CALFED process and coordinating tribal input back to the CALFED program. EPA anticipates funding one to three tribes for one year to achieve the aforementioned objectives, and as such, the funded tribal governments will be expected to serve as regional coordinators for tribal government involvement in the CALFED program.

(D) Program Description: CALFED Planning and Management

Funding Agency: U.S. Bureau of Reclamation

Funding: \$4,000,000

Description: CALFED program staff is requesting fiscal year 2000 funding to provide continued support or initiation of the following programs. CALFED staff will undertake these program activities directly or through contracted consultant services.

(1) Program Title: Water Use/Transfer

Description: CALFED staff will develop and begin implementation of a robust, incentive-based water use efficiency program using an integrated approach of state legal requirements and local implementation through technical assistance and incentives. Studies focusing on the four program elements -- agricultural water conservation, urban water conservation, water recycling, and managed wetlands -- will be developed and implemented.

CALFED staff will develop a strategic plan of actions, policies, and processes to encourage an effective water transfer market that facilitates water transfer and streamlines the approval process while protecting water rights, environmental

conditions, and local economic interests. Actions will address (1) environmental and socioeconomic factors, (2) water resources protection, (3) technical, operational, and administrative rules, and (4) wheeling data and use of existing state/federal wheeling facilities.

(2) Program Title: **Delta Levee System Integrity**

Description: The planning effort for the program is near completion, and funds will be utilized to finalize the Levee System Integrity Program Plan. The program plan builds upon existing programs to improve all Delta levees to meet the U.S. Corps of Engineers' PL 84-99 standard and provide additional flood protection beyond the Delta Levee Base Level Protection Plan. The balance of funding will be utilized by CALFED to support the North Delta Planning effort described under paragraph 7. (B) above.

(3) Program Title: **Water Management Systems Development (Integrated Storage Investigation)**

Description: A comprehensive planning effort will be developed that provides information on the potential system-wide benefits and impacts of storage considering various combinations of facilities and operating policies. These impacts and benefits will be compared to the consequences of alternative water management strategies. Information developed in the more detailed regional storage studies will be used to refine assumptions in this comprehensive evaluation.

(4) Program Title: **Implementation Strategy**

Description: This program involves (1) preparation of strategic planning documents to support the alternative refinement and selection process, (2) coordination of implementation plans for the individual CALFED program elements, and (3) production of the comprehensive Program Implementation Plan.

(5) Program Title: **Management Services**

Description: Management Services activities include outreach, legal and Bay-Delta Advisory Council support, public and governmental affairs, and general and fiscal administration.

(6) Program Title: Water Quality

Description: The program will continue the development of actions required to prevent and control water quality degradation from abandoned mines, urban and industrial point and non-point discharges, and agricultural drainage. The Water Quality Program Plan will be refined, and the above actions will be prioritized. Detailed actions for Stage 1 implementation will be developed.

8. Program Element: Miscellaneous Expenses/Administration \$500,000

(A) Program Title: Administrative Support

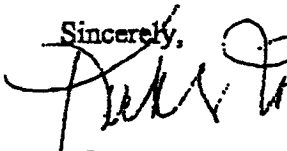
Performing Agency: U.S. Bureau of Reclamation

Funding: \$500,000

Description: Funds are for continued support provided by the U.S. Bureau of Reclamation for coordination of interagency funding activities and agreement management provided through the Federal Bay-Delta Ecosystem Restoration and Other Such Activities fund accounts to other participating Federal agencies and applicant entities. The balance of the funds for this program in the amount of \$1,000,000 has been allocated from the Ecosystem Restoration Fund fiscal year 2000 Account.

I concur with the Policy Group's recommendations to fund the programs and associated projects in the amount of \$30,000,000 from the fiscal year 2000 Federal Bay-Delta Act appropriation and would like your approval. The programs and projects requested are all of sufficiently high priority to warrant approval and obligation of the funds requested.

Approval is requested as soon as possible so that agreements can be initiated and executed with the implementing agencies.

Sincerely,

 ACTING FOR
 Lester A. Snow
 Regional Director

Approved: _____

Signature

3-24-00
 Date